

**AGENDA**



**Recommendation for Council Action (Purchasing)**

Austin City Council - Commissioners Court Meeting	<b>Item ID:</b>	36685	<b>Agenda Number</b>	25.
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<b>Meeting Date:</b>	October 2, 2014
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<b>Department:</b>	Purchasing
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Subject

Authorize award and execution of a 36-month requirements supply contract with PENCCO, INC., for the purchase of liquid ferric sulfate for the Austin Water Utility in an amount not to exceed \$1,383,912, with three 12-month extension options in an amount not to exceed \$461,304 per extension option, for a total contract amount not to exceed \$2,767,824.

Amount and Source of Funding

Funding in the amount of \$461,304 is available in the Fiscal Year 2014 – 2015 Operating Budget of the Austin Water Utility. Funding for the twenty-four months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

<b>Purchasing Language:</b>	Lowest bid received.
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<b>Prior Council Action:</b>	
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<b>For More Information:</b>	Steve Aden, Purchasing Manager, 512-972-0047
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<b>Boards and Commission Action:</b>	September 10, 2014 – Recommended by the Water and Wastewater Commission on 4-0 vote.
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<b>Related Items:</b>	
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<b>MBE / WBE:</b>	This contract will be awarded in compliance with City Code Chapter 2-9D (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore no goals were established for this solicitation.
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Additional Backup Information

This contract with Pencco, Inc. will provide for the supply of liquid ferric sulfate, which is used by the Austin Water Utility for water purification processes. This chemical is added to raw water during the purification process and causes sediment, bacteria, and other suspended particles in the water to aggregate into a mass for removal. This chemical is essential in the treatment process to ensure the quality of the City's water supply and to meet the Environmental Protection Agency's regulations. The product will be purchased on an as needed basis and delivered and stored at the Davis Water Treatment Plant, Ullrich Water Treatment Plant, and Water Treatment Plant # 4.

MBE/WBE solicited: 2/2

MBE/WBE bid: 0/0

**BID TABULATION**

IFB No. STA1132  
Liquid Ferric Sulfate  
(3 line item (894,000 lbs.))

<b><u>VENDOR</u></b>	<b><u>UNIT PRICE</u></b>	<b><u>TOTAL BID</u></b>
Pencco, Inc. San Felipe, TX	\$0.516	\$461,304
ALTIVIA Chemicals, Inc. Houston, TX	\$0.55	\$491,700
Chemtrade Chemicals US Inc. Parsippany, NJ	\$0.6042	\$540,155

**NOTE:** A complete copy of the bid tabulation is on file in the Purchasing Office and is on the City of Austin, FSD Purchasing Office website.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Forty-five notices were sent, including 2 MBE and 2 WBE firms. Three bids were received, with no MBE or WBE firms responding.
- c. The pricing offered represents a 28% decrease from the previous contract awarded August 2011. This decrease can be attributed to the decrease in the cost of iron ore and sulfuric acid used in the manufacturing of liquid ferric sulfate.
- d. Pencco is not the current provider.

**APPROVAL JUSTIFICATION**

- a. Low bid.
- b. The Purchasing Office concurs with the Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.